# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:3348
ANSWERED ON:04.08.2017
Bank Branch Expansion Policy
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**Will the Minister of FINANCE be pleased to state:**

(a) the details of main features of branch expansion policy of Public Sector Banks (PSBs);
(b) the number of branches of PSBs set up in the rural areas during the current plan period/year/bank State/UT-wise;
(c) whether there is any proposal for setting up new branches of PSBs in the villages adopted and developed as model villages under the Sansad Adarsh Gram Yojana and if so, the details thereof;
(d) whether the Government has received the representations from the public representatives for opening of new bank branches of PSBs in the said villages, if so, the details thereof and the action taken by the Government thereon;
(e) whether any survey has been conducted by the Government in this regard and if so, the details thereof; and
(f) the time by which new branches of PSBs are likely to be opened in the unbanked areas in the country?

## Answer

The Minister of State in the Ministry of Finance

(a) Reserve Bank of India (RBI) has rationalized its Branch Authorisation Policy and granted general permission to domestic Scheduled Commercial Banks (excluding Regional Rural Banks), including Public Sector Banks, to open banking outlets at any place in the country, without seeking prior approval of RBI in each case, subject to at least 25 percent of the total number of banking outlets opened during a financial year being in unbanked rural centres (Tier 5 and Tier 6 centres).
(b) Information is at Annex.
(c) Pursuant to a Government request to Public Sector Banks (PSBs) for provision of banking services in Sansad Adarsh Gram (SAG) through bank branch or through a fixed point online interoperable Business Correspondent (BC) / kiosk, PSBs have reported opening of 45 bank branches in Sansad Adarsh Gram villages.
(d) RBI instructions require State Level Bankers' Committees (SLBCs) to enable banks to identify the unbanked rural centres where they wish to open a banking outlet, and banks are required to coordinate with the SLBC Convenor in this regard. Accordingly, representations received from public representatives regarding opening of new banking outlets in unbanked villages are communicated to SLBC Conveners.
(e) Banks consider proposals in the light of RBI's instructions, their business plans and commercial viability, and for assessing viability carry out survey as required.
(f) Banks have not indicated any fixed time for this.
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